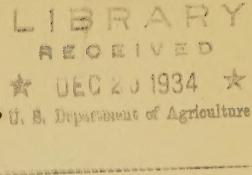


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THE COTTON PROGRAM AND THE BANKHEAD ACT

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From virtually every standpoint, the efforts that have been made at cotton adjustment have been successful. The 1933 emergency plow-up program, as bold and as unorthodox as it seemed, was fully justified from the results it achieved. These results can be measured not alone in dollars and increased income, but certain social values were recreated; and the attitude of a great section of America was transformed from despair to a new hope and faith. This renewed faith in government and men that was brought to the South by this program also brought new and deeper responsibilities to all of us. We have the responsibility to see that this faith has not been misplaced and to continue, without ceasing, the efforts to bring to farmers a fairer share of the national income, to so help them manage their economic affairs that they will be able to live in an American way and enjoy decent, civilized American standards of living.

I will not burden you with details of the statistical improvement in the cotton supply situation that the two programs have achieved. You people know that through these programs, approximately six million bales have been eliminated from the burdensome surplus that depressed prices and brought misery, poverty and want. The 1933 emergency program, as Secretary Wallace has remarked, destroyed 4 million bales of cotton but it preserved certain and more important human values.

I have the feeling that the economic and social gains that have been made are not yet secure, and that if they are to be made secure,

the sustained efforts of every individual concerned with the programs and of every cotton farmer are necessary. We are not yet out of the woods. Much remains to be done. If I were asked to choose what I would most desire in the development and administration of our cotton programs, I think I would first plead for a sympathetic understanding of all groups concerned of the importance of certain fundamentals. As to fundamentals, I have in mind what seems to me the absolute necessity for continued control of cotton output so as to prevent a recurrence of the disastrous conditions of 1932.

And, I hasten to add, I realize that control of production alone is not sufficient. It has its limitations. But we must not lose sight of the tremendous importance of keeping cotton supplies in line with prospective, probable demand. Even though the operation of control may cause what appears to some groups as hardship, we must not lose sight of the fundamental fact that it is the economic welfare of the cotton producer that is our first concern. If we fail in our efforts to attain economic security for the primary producer, the other groups whose economic existence is dependent upon and affiliated with the production of cotton can not expect to survive.

There are extremists who would return to the days of planless production and, through the payment of subsidies, stimulate cotton production beyond previous records. As the other extreme, there are those who advocate a continued policy of reduction to sustain price, and would reduce production to an unprecedented extent. I suspect that the proper course is between these extremes and I fully agree with Chester Davis' statement that there must be some point in our cotton production

level that is the best for all groups. We must try to discover that point.

I have not discussed the mechanism of control in which we are all interested. You are all familiar with the development of the two voluntary programs and the history of the Bankhead Act. I sometimes think that we do not go far enough back in our history in thinking about the Bankhead Act. It is by no means the first time the cotton producers have demanded the compulsion of law to control cotton production. There is precedent as far back as the War Between the States. Many of you recall the law adopted by South Carolina in 1915 to limit cotton acreage to "6 acres to a plow" and may remember legislative acts by South Carolina, North Carolina, Texas, and other Southern States in 1930.

To anyone with a sense of history, it would seem that the Bankhead Act is the culmination of years of groping after a plan. I have said on other occasions that the passage of the Bankhead Act at the last Congress made it certain that adjustment of cotton production would be successful in 1934. With improved cotton prices, it was becoming increasingly difficult to prevent the out-sider from stepping up his production. There also was a temptation for new lands to come into cotton production. The Bankhead Act prevented this for the current season. I think every realistic person will agree that the degree of success in the adjustment program would have been less if the Bankhead Act had not been enacted to supplement the efforts under the Agricultural Adjustment Act.

We are now faced with the question of whether the Bankhead Act shall be continued for next year. First let me say that, regardless of what our own ideas may be, this question is one that the cotton farmer must and will decide. The Act itself, as you know, requires that the Secretary of Agriculture must find that two-thirds of those engaged in the production of cotton favor the continuance of a tax on the ginning of cotton in excess of an allotment to be determined. I have no preconceived notion of what the outcome of the referendum among producers will be. I find that in many sections there is a strong sentiment for the continuance of the Act and I am advised that among other groups of producers, there is opposition to it. Of one thing I am convinced and that is that the cotton farmer wants some form of control that will control and is anxious for some plan that will assure that the rewards of cooperation will go to the cooperators.

I was interested to note the recent newspaper poll conducted by the Memphis Commercial-Appeal in the mid-South. Their poll showed that out of some 7,000 votes cast, the farmers were 4 to 1 in favor of some compulsory cotton crop control. Yet the paradox was presented that these farmers, by a small majority, expressed opposition to the Bankhead Act. In other parts of the South, I am advised, groups of farmers in community meetings have endorsed the continuance of the Bankhead Act. Of course, the real test will come when the official referendum is held.

I repeat that it is my own conviction that cotton farmers want some rigid type of control over production and that it is the general agreement that some form of legal compulsion is necessary to achieve a more precise control. If the cotton producers decide that they do not want the Bankhead Act, however, I feel that we must be very careful indeed in suggesting the development of any alternative plan. You know and I know that any plan that is developed will be subject to similar objections and irritations that producers have expressed against the Bankhead Act. There are no short-cuts or tricks of magic that will achieve the objective of a balanced cotton production. Sacrifices are involved in any plan and some inequities are inevitable in any device which seeks to control the operations of 2 million farmers. If the cotton farmers decide that the price involved in the Bankhead Act is too great, we must of course continue to work with what we have. Whether our present mechanism, without the Bankhead Act, is sufficient to do the job is a matter of opinion. The farmers themselves will decide. But any substitute--if we must have a substitute and can get one--will obviously entail the same price and, in my judgment, to the same degree as the Bankhead Act.

So one important job before us is to destroy whatever illusions may exist that we can achieve an objective without paying for it, and always we must keep clearly in mind what our objective is.

I suspect that many of those producers who voted in the newspaper poll, to which I have referred, had the feeling that some form of compulsory control could be developed that would not apply to them. In any cooperative enterprise, each party to the enterprise must do his share

and if those who are participating, want some plan that seeks to control those who are unwilling to cooperate, all must share in the sacrifices that may be entailed by that plan.

In conclusion, there is another point of view which I would like to leave with you. Numerous plans for cotton are being suggested. Many of them appear to have points of merit. Some appear to emanate from the self-interest of groups other than cotton farmers. It has been my observation that one of the chief difficulties in past efforts for agriculture has been a house divided against itself. I would not say that it is the deliberate intent of those whose interests may run counter to our current efforts for the cotton farmers to bring out a plethora of plans and create a fatal division. But the results of division are the same, however they come about.

It seems to me that the need for unity among farm groups and among those who have the responsibility of leadership is just as important and necessary as it has ever been. My own feeling is that we have a program that is sound. The inherent flexibility of our existing mechanisms is one of its soundest features. So while it is desirable that we continue our quest for improvement and progress, it is important that we do not lose our present opportunity in a conflict over new and untried methods.

